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CENTRAL DIST. OF CALIF.
LOS ANGELES

BY:

EILEEN M. DECKER
United States Attorney
LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division
RANEE A. KATZENSTEIN (Cal. Bar No. 187111)
Assistant United States Attorney
Deputy Chief, Major Frauds Section
1100 United States Courthouse
312 North Spring Street
Los Angeles, California 90012
Telephone: (213) 894-2432
Facsimile: (213) 894-6269
E-mail: ranee.katzenstein@usdoj.gov

Attorneys for Plaintiff
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JONATHAN TODD SCHWARTZ,

Defendant.

No. CR 16- 17CR00022

PLEA AGREEMENT FOR DEFENDANT JONATHAN TODD SCHWARTZ

1. Subject to the approval of the United States Department of Justice, Tax Division, this constitutes the plea agreement between JONATHAN TODD SCHWARTZ ("defendant") and the United States Attorney's Office for the Central District of California (the "USAO") in the investigation of embezzlements from clients of GSO Business Management, LLC, from 2009 through 2016, and the failure to report income from these embezzlements. This agreement is limited to the USAO and cannot bind any other federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authorities.

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DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a. Give up the right to indictment by a grand jury and, at the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to a two-count information in the form attached to this agreement as Exhibit A or a substantially similar form, which charges defendant with wire fraud, in violation of 18 U.S.C. § 1343, and subscription to a false federal income tax return, in violation of 26 U.S.C. § 7206(1).

b. Not contest facts agreed to in this agreement.

c. Abide by all agreements regarding sentencing contained in this agreement.

d. Appear for all court appearances, surrender as ordered for service of sentence, obey all conditions of any bond, and obey any other ongoing court order in this matter.

e. Not commit any crime; however, offenses that would be excluded for sentencing purposes under United States Sentencing Guidelines ("USSG" or "Sentencing Guidelines") § 4A1.2(c) are not within the scope of this agreement.

f. Be truthful at all times with Pretrial Services, the United States Probation Office, and the Court.

g. Pay the applicable special assessments at or before the time of sentencing unless defendant lacks the ability to pay and prior to sentencing submits a completed financial statement on a form to be provided by the USAO.

h. Agree to and not oppose the imposition of the following conditions of probation or supervised release:

Defendant shall not engage, as whole or partial owner, employee or otherwise, in any business involving investment services, investment advice, and/or the management of the money and/or assets of any other person, business or entity, without the express approval of the Probation Officer prior to engagement in such ownership, employment or other involvement in such business. Further, the defendant shall provide the Probation Officer with access to any and all business records, client lists and other records pertaining to the operation of any business owned, in whole or in part, by the defendant, as directed by the Probation Officer.

i. Not seek the discharge of any restitution obligation, in whole or in part, in any present or future bankruptcy proceeding.

3. Defendant further agrees:

a. Truthfully to disclose to law enforcement officials, at a date and time to be set by the USAO, the location of, defendant's ownership interest in, and all other information known to defendant about, all monies, properties, and/or assets of any kind, derived from or acquired as a result of, or used to facilitate the commission of, defendant's illegal activities, and to forfeit all right, title, and interest in and to such items.

b. To fill out and deliver to the USAO at or before sentencing a completed financial statement listing defendant's assets on a form provided by the USAO, namely, the form attached hereto as Exhibit B.

4. Defendant admits that defendant received $1,052,000; $1,106,500; $1,621,500; $1,346,000; and $960,000 of unreported income in tax years 2010, 2011, 2012, 2013, and 2014, respectively. Defendant agrees that:

a. If requested to do so, the defendant will cooperate and provide information to the Internal Revenue Service with respect to defendant's tax years 2010, 2011, 2012, 2013, and 2014.

b. Defendant is liable for the civil fraud penalty imposed by the Internal Revenue Code, 26 U.S.C. § 6663, on the understatements of tax liability for the tax years 2010, 2011, 2012, 2013, and 2014.

c. Defendant will, before sentencing, sign a closing agreement with the Internal Revenue Service, permitting the Internal Revenue Service to assess (including penalties and interest) and collect the tax due for the tax years 2010, 2011, 2012, 2013, and 2014. The closing agreement shall include and take into account defendant's tax due on unreported income of $294,500; $309,820; $454,020; $376,880; and $268,800 for the defendant's tax years 2010, 2011, 2012, 2013, and 2014, respectively. No further credits or deductions shall be allowed. The closing agreement shall include the civil fraud penalty for each year and statutory interest, on the tax liabilities, as provided by law.

d. Defendant will make his best efforts to pay at or before sentencing all additional taxes and all penalties and interest assessed by the Internal Revenue Service on the basis of the closing agreement; and will make his best efforts to promptly pay all additional taxes and all penalties and interest thereafter determined by the Internal Revenue Service to be owing as a result of any computational error(s).

e. Defendant will not, after signing the closing agreement, file any claim for refund of taxes, penalties, or interest for amounts assessed and collected pursuant to the closing agreement.

f. Defendant gives up any and all objections that could be asserted to the Examination Division of the Internal Revenue Service receiving materials or information obtained during the criminal investigation of this matter, including materials and information obtained through grand jury subpoenas.

THE USAO'S OBLIGATIONS

5. The USAO agrees to:

a. Not contest facts agreed to in this agreement.

b. Abide by all agreements regarding sentencing contained in this agreement.

c. At the time of sentencing, provided that defendant demonstrates an acceptance of responsibility for the offenses up to and including the time of sentencing, recommend a two-level reduction in the applicable Sentencing Guidelines offense level, pursuant to U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an additional one-level reduction if available under that section.

d. Not further criminally prosecute defendant for violations of 18 U.S.C. §§ 1028A, 1341, 1343 and 1344, and 26 U.S.C. §§ 7201 and 7206(1) arising out of defendant's conduct described in the agreed-to factual basis set forth in Exhibit C attached hereto. Defendant understands that the USAO is free to criminally prosecute defendant for any other unlawful past conduct or any unlawful conduct that occurs after the date of this agreement. Defendant agrees that at the time of sentencing the Court may consider the uncharged conduct in determining the applicable Sentencing Guidelines range, the propriety and extent of any departure from that range, and the sentence to be imposed after consideration of the Sentencing Guidelines and all other relevant factors under 18 U.S.C. § 3553(a).

e. Recommend that defendant be sentenced to a term of imprisonment no higher than the low end of the applicable Sentencing Guidelines range, provided that the offense level used by the Court to determine that range is 26 or higher and provided that the Court does not depart downward in offense level or criminal history category. For purposes of this agreement, the low end of the Sentencing Guidelines range is that defined by the Sentencing Table in USSG Chapter 5, Part A.

NATURE OF THE OFFENSES

6. Defendant understands that for defendant to be guilty of the crime charged in count one, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, the following must be true:

First, the defendant knowingly participated in a scheme or plan to defraud, or a scheme or plan for obtaining money or property by means of false or fraudulent pretenses, representations, or promises;

Second, the statements made or facts omitted as part of the scheme were material; that is, they had a natural tendency to influence, or were capable of influencing, a person to part with money or property;

Third, the defendant acted with the intent to defraud; that is, the intent to deceive or cheat; and

Fourth, the defendant used, or caused to be used, interstate wirings to carry out or attempt to carry out an essential part of the scheme.

7. Defendant understands that for defendant to be guilty of the crime charged in count two, that is, subscription to a false federal income tax return, in violation of Title 26, United States Code, Section 7206(1), the following must be true:

First, the defendant made and signed a tax return for the year 2012 that he knew contained false or incorrect information as to a material matter;

Second, the return contained a written declaration that it was being signed subject to the penalties of perjury; and

Third, in filing the false tax return, the defendant acted willfully. In order to prove that the defendant acted "willfully," the government must prove beyond a reasonable doubt that the defendant knew federal tax law imposed a duty on him, and the defendant intentionally and voluntarily violated the duty.

PENALTIES AND RESTITUTION

8. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1343, is: a 20-year period of imprisonment; a 3-year period of supervised release; a fine of $250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; and a mandatory special assessment of $100.

9. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of Title 26, United States Code, Section 7206(1), is: a 3-year period of imprisonment; a 1-year

period of supervised release; a fine of $250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; and a mandatory special assessment of $100.

10. Defendant understands, therefore, that the total maximum sentence for both offenses to which defendant is pleading guilty is: a 23-year period of imprisonment; a 3-year period of supervised release; a fine of $500,000 or twice the gross gain or gross loss resulting from the offenses, whichever is greatest; and a mandatory special assessment of $200.

11. With respect to count one, which charges a violation of Title 18, United States Code, Section 1343, defendant understands that defendant will be required to pay full restitution to the victims of the offense to which defendant is pleading guilty. Defendant agrees that, in return for the USAO's compliance with its obligations under this agreement, the Court may order restitution to persons other than the victims of the offenses to which defendant is pleading guilty and in amounts greater than those alleged in the count to which defendant is pleading guilty. In particular, defendant agrees that the Court may order restitution to any victim of any of the following for any losses suffered by that victim as a result: (a) any relevant conduct, as defined in USSG § 1B1.3, in connection with the offense to which defendant is pleading guilty; and (b) any charges not prosecuted pursuant to this agreement as well as all relevant conduct, as defined in USSG § 1B1.3, in connection with those charges. The parties currently believe that the applicable amount of restitution is approximately $6,511,000, but recognize and agree that this amount could change based on facts that come to the attention of the parties prior to sentencing.

12. With respect to count two, which charges a violation of Title 26, United States Code, Section 7206(1), defendant understands and agrees that the Court: (a) may order defendant to pay restitution in the form of any additional taxes that defendant owes to the United States based upon the count of conviction and any relevant conduct; and (b) must order defendant to pay the costs of prosecution, which may be in addition to the statutory maximum fine stated above.

13. Defendant understands that supervised release is a period of time following imprisonment during which defendant will be subject to various restrictions and requirements. Defendant understands that if defendant violates one or more of the conditions of any supervised release imposed, defendant may be returned to prison for all or part of the term of supervised release authorized by statute for the offense that resulted in the term of supervised release, which could result in defendant serving a total term of imprisonment greater than the statutory maximum stated above.

14. Defendant understands that, by pleading guilty, defendant may be giving up valuable government benefits and valuable civic rights, such as the right to vote, the right to possess a firearm, the right to hold office, and the right to serve on a jury. Defendant understands that once the Court accepts defendant's guilty pleas, it will be a federal felony for defendant to possess a firearm or ammunition. Defendant understands that the convictions in this case may also subject defendant to various other collateral consequences, including but not limited to revocation of probation, parole, or supervised release in another case and suspension or revocation of a professional license. Defendant understands that

unanticipated collateral consequences will not serve as grounds to withdraw defendant's guilty pleas.

15. Defendant understands that, if defendant is not a United States citizen, the felony convictions in this case may subject defendant to: removal, also known as deportation, which may, under some circumstances, be mandatory; denial of citizenship; and denial of admission to the United States in the future. The Court cannot, and defendant's attorney also may not be able to, advise defendant fully regarding the immigration consequences of the felony conviction in this case. Defendant understands that unexpected immigration consequences will not serve as grounds to withdraw defendant's guilty pleas.

FACTUAL BASIS

16. Defendant admits that defendant is, in fact, guilty of the offenses to which defendant is agreeing to plead guilty. Defendant and the USAO agree to the statement of facts provided in Exhibit C attached to this agreement and incorporated herein by reference, and agree that this statement of facts is sufficient to support pleas of guilty to the charges described in this agreement and to establish the Sentencing Guidelines factors set forth in paragraph 18 below but is not meant to be a complete recitation of all facts relevant to the underlying criminal conduct or all facts known to either party that relate to that conduct.

SENTENCING FACTORS

17. Defendant understands that in determining defendant's sentence the Court is required to calculate the applicable Sentencing Guidelines range and to consider that range, possible departures under the Sentencing Guidelines, and the other sentencing factors set

forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing Guidelines are advisory only, that defendant cannot have any expectation of receiving a sentence within the calculated Sentencing Guidelines range, and that after considering the Sentencing Guidelines and the other § 3553(a) factors, the Court will be free to exercise its discretion to impose any sentence it finds appropriate up to the maximum set by statute for the crimes of conviction.

18. Defendant and the USAO agree to the following applicable Sentencing Guidelines factors:

Count One (18 U.S.C. § 1343)

Base Offense Level:	7	USSG § 2B1.1(a)(1)
Loss between $3.5 million and $9.5 million	+18	USSG § 2B1.1(b)(1)(J)
Abuse of position of trust	+2	USSG § 3B1.3

Count Two (26 U.S.C. § 7206(1))

Base Offense Level (Tax Loss over $1.5 million):	22	USSG §§ 2T1.1; 2T4.1(I)
Unreported Income from Criminal Activity	+2	USSG § 2T1.1(b)(1)

Defendant and the USAO reserve the right to argue that additional specific offense characteristics, adjustments, and departures under the Sentencing Guidelines are appropriate. For example, the government reserves the right to argue that an upward adjustment applies under the guidelines applicable to determining the combined offense level for both counts of conviction, USSG § § 3D1.1-3D1.4 (the "Multiple Count Guidelines"), and defendant reserves the right to argue that no adjustment applies under the Multiple Count Guidelines.

19. Defendant understands that there is no agreement as to defendant's criminal history or criminal history category.

20. Defendant and the USAO reserve the right to argue for a sentence outside the sentencing range established by the Sentencing Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

WAIVER OF CONSTITUTIONAL RIGHTS

21. Defendant understands that by pleading guilty, defendant gives up the following rights:

a. The right to persist in a plea of not guilty.

b. The right to a speedy and public trial by jury.

c. The right to be represented by counsel -- and if necessary have the court appoint counsel -- at trial. Defendant understands, however, that, defendant retains the right to be represented by counsel -- and if necessary have the court appoint counsel -- at every other stage of the proceeding.

d. The right to be presumed innocent and to have the burden of proof placed on the government to prove defendant guilty beyond a reasonable doubt.

e. The right to confront and cross-examine witnesses against defendant.

f. The right to testify and to present evidence in opposition to the charges, including the right to compel the attendance of witnesses to testify.

g. The right not to be compelled to testify, and, if defendant chose not to testify or present evidence, to have that choice not be used against defendant.

h. Any and all rights to pursue any affirmative defenses, Fourth Amendment or Fifth Amendment claims, and other pretrial motions that have been filed or could be filed.

WAIVER OF APPEAL OF CONVICTION

22. Defendant understands that, with the exception of an appeal based on a claim that defendant's guilty pleas were involuntary, by pleading guilty defendant is waiving and giving up any right to appeal defendant's convictions on the offenses to which defendant is pleading guilty.

LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

23. Defendant agrees that, provided the Court imposes a total term of imprisonment on both counts of conviction of no more than 78 months, defendant gives up the right to appeal all of the following: (a) the procedures and calculations used to determine and impose any portion of the sentence; (b) the term of imprisonment imposed by the Court; (c) the fine imposed by the Court, provided it is within the statutory maximum; (d) the amount and terms of any restitution order, provided it requires payment of no more than $6,511,000 on count one and $1,704,080 on count two; (e) the term of probation or supervised release imposed by the Court, provided it is within the statutory maximum; and (f) any of the following conditions of probation or supervised release imposed by the Court: the conditions set forth in General Orders 318, 01-05, and/or 05-02 of this Court; the drug testing conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); the alcohol and drug use conditions authorized by 18 U.S.C.

§ 3563(b)(7); and any conditions of probation or supervised release agreed to by defendant in paragraph 2 above.

24. The USAO agrees that, provided (a) all portions of the sentence are at or below the statutory maximum specified above and (b) the Court imposes a term of imprisonment of no less than 51 months, the USAO gives up its right to appeal any portion of the sentence, with the exception that the USAO reserves the right to appeal the amount of restitution ordered if that amount is less than $6,511,000 on count one and $1,704,080 on count two.

RESULT OF WITHDRAWAL OF GUILTY PLEA

25. Defendant agrees that if, after entering guilty pleas pursuant to this agreement, defendant seeks to withdraw and succeeds in withdrawing either or both of defendant's guilty pleas on any basis other than a claim and finding that entry into this plea agreement was involuntary, then (a) the USAO will be relieved of all of its obligations under this agreement; and (b) should the USAO choose to pursue any charge that was either dismissed or not filed as a result of this agreement, then (i) any applicable statute of limitations will be tolled between the date of defendant's signing of this agreement and the filing commencing any such action; and (ii) defendant waives and gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such action, except to the extent that such defenses existed as of the date of defendant's signing this agreement.

RESULT OF VACATUR, REVERSAL OR SET-ASIDE

26. Defendant agrees that if either count of conviction is vacated, reversed, or set aside, the USAO may: (a) ask the Court to

resentence defendant on the remaining count of conviction, with both the USAO and defendant being released from any stipulations regarding sentencing contained in this agreement, (b) ask the Court to void the entire plea agreement and vacate defendant's guilty plea on the remaining count of conviction, with both the USAO and defendant being released from all their obligations under this agreement, or (c) leave defendant's remaining conviction, sentence, and plea agreement intact. Defendant agrees that the choice among these three options rests in the exclusive discretion of the USAO.

EFFECTIVE DATE OF AGREEMENT

27. This agreement is effective upon signature and execution of all required certifications by defendant and defendant's counsel, and approval of the United States Department of Justice, Tax Division, and subsequent signature and execution by an Assistant United States Attorney.

BREACH OF AGREEMENT

28. Defendant agrees that if defendant, at any time after the effective date of this agreement, knowingly violates or fails to perform any of defendant's obligations under this agreement ("a breach"), the USAO may declare this agreement breached. All of defendant's obligations are material, a single breach of this agreement is sufficient for the USAO to declare a breach, and defendant shall not be deemed to have cured a breach without the express agreement of the USAO in writing. If the USAO declares this agreement breached, and the Court finds such a breach to have occurred, then: (a) if defendant has previously entered guilty pleas pursuant to this agreement, defendant will not be able to withdraw

the guilty pleas, and (b) the USAO will be relieved of all its obligations under this agreement.

29. Following the Court's finding of a knowing breach of this agreement by defendant, should the USAO choose to pursue any charge that was not filed as a result of this agreement, then:

a. Defendant agrees that any applicable statute of limitations is tolled between the date of defendant's signing of this agreement and the filing commencing any such action.

b. Defendant waives and gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such action, except to the extent that such defenses existed as of the date of defendant's signing this agreement.

c. Defendant agrees that: (i) any statements made by defendant, under oath, at the guilty plea hearing (if such a hearing occurred prior to the breach); (ii) the agreed to factual basis statement in this agreement; and (iii) any evidence derived from such statements, shall be admissible against defendant in any such action against defendant, and defendant waives and gives up any claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal Procedure, or any other federal rule, that the statements or any evidence derived from the statements should be suppressed or are inadmissible.

COURT AND PROBATION OFFICE NOT PARTIES

30. Defendant understands that the Court and the United States Probation Office are not parties to this agreement and need not

accept any of the USAO's sentencing recommendations or the parties' agreements to facts or sentencing factors.

31. Defendant understands that both defendant and the USAO are free to: (a) supplement the facts by supplying relevant information to the United States Probation Office and the Court, (b) correct any and all factual misstatements relating to the Court's Sentencing Guidelines calculations and determination of sentence, and (c) argue on appeal and collateral review that the Court's Sentencing Guidelines calculations and the sentence it chooses to impose are not error, although each party agrees to maintain its view that the calculations in paragraph 18 are consistent with the facts of this case. While this paragraph permits both the USAO and defendant to submit full and complete factual information to the United States Probation Office and the Court, even if that factual information may be viewed as inconsistent with the facts agreed to in this agreement, this paragraph does not affect defendant's and the USAO's obligations not to contest the facts agreed to in this agreement.

32. Defendant understands that even if the Court ignores any sentencing recommendation, finds facts or reaches conclusions different from those agreed to, and/or imposes any sentence up to the maximum established by statute, defendant cannot, for that reason, withdraw defendant's guilty pleas, and defendant will remain bound to fulfill all defendant's obligations under this agreement. Defendant understands that no one -- not the prosecutor, defendant's attorney, or the Court -- can make a binding prediction or promise regarding the sentence defendant will receive, except that it will be within the statutory maximum.

NO ADDITIONAL AGREEMENTS

33. Defendant understands that, except as set forth herein, there are no promises, understandings, or agreements between the USAO and defendant or defendant's attorney, and that no additional promise, understanding, or agreement may be entered into unless in a writing signed by all parties or on the record in court.

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

34. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF
CALIFORNIA

EILEEN M. DECKER
United States Attorney

______________________________ 1/18/17
RANEE A. KATZENSTEIN Date
Assistant United States Attorney

______________________________ 11.7.16
JONATHAN TODD SCHWARTZ Date
Defendant

______________________________ 11/7/16
NATHAN J. HOCHMAN Date
Attorney for Defendant
JONATHAN TODD SCHWARTZ

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CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.

JONATHAN TODD SCHWARTZ
Defendant

11.7.16
Date

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CERTIFICATION OF DEFENDANT'S ATTORNEY

I am JONATHAN TODD SCHWARTZ's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of guilty pleas pursuant to this agreement.

[signature] 11/7/16

NATHAN J. HOCHMAN
Attorney for Defendant
JONATHAN TODD SCHWARTZ

Date

EXHIBIT A

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. JONATHAN TODD SCHWARTZ, Defendant.	CR No. 16- I N F O R M A T I O N [18 U.S.C. § 1343: Wire Fraud; 26 U.S.C. § 7206(1): Subscribing to a False Federal Tax Return]

The United States Attorney charges:

COUNT ONE

[18 U.S.C. § 1343]

A. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this Information:

a. Defendant JONATHAN TODD SCHWARTZ ("defendant SCHWARTZ") resided in Agoura Hills, within the Central District of California.

b. Defendant SCHWARTZ was a member of GSO Business Management, LLC ("GSO"), a business management firm based in Sherman Oaks, California. GSO provided financial guidance, including managing bank accounts, providing accounts payable services on clients' behalf, and preparing short term and long term budgets.

B. THE SCHEME TO DEFRAUD

2. Beginning at least as early as in or about March 2009 and continuing to at least May 2016, in Los Angeles County, within the Central District of California, and elsewhere, defendant SCHWARTZ, knowingly and with the intent to defraud, devised, participated in, and executed a scheme to defraud GSO and clients of GSO, including Clients Numbers 1-6, as to material matters, and to obtain money and property from GSO and clients of GSO by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

3. The fraudulent scheme operated, in substance, as follows:

a. Defendant SCHWARTZ would represent to GSO's clients that he would only access their bank accounts with their approval and for purposes established by the clients, for instance to pay the clients' bills or to obtain spending money for the clients to use.

b. Without the knowledge, consent, or approval of the clients, defendant SCHWARTZ would submit requests for cash to the bank at which the clients' accounts were maintained. Defendant SCHWARTZ would sometimes instruct the bank to deliver the cash to him at GSO; sometimes defendant SCHWARTZ would inform the bank that he would pick up the cash at the bank.

c. Defendant SCHWARTZ would falsify and cause to be falsified the account records provided to clients in order to conceal the unauthorized takings. For instance, defendant SCHWARTZ would instruct his assistants to "remove cash line item" from the monthly account statements provided to one client; falsely code the unauthorized cash withdrawals as "sundry/personal expenses" on the accounting records for that client; and falsely code unauthorized cash withdrawals as home renovations on the accounting records GSO maintained for another client who, at the time, was rebuilding his house.

d. In some instances, defendant SCHWARTZ would forge the signature of the client on cash receipts, thereby creating the false and fraudulent pretense and representation that the client had received the proceeds of the unauthorized withdrawal.

e. When confronted about the missing cash, defendant SCHWARTZ would falsely tell the clients and their representatives that the missing cash had been invested in accordance with the clients' directions. For instance, defendant SCHWARTZ falsely stated that the missing money belonging to one client had been invested in illegal marijuana businesses pursuant to that client's instructions.

f. Defendant SCHWARTZ would conceal from the clients and GSO that he had taken the cash he obtained from the clients' accounts and used it to pay for his own expenses.

g. In some instances, defendant SCHWARTZ would obtain money directly from clients based on the false representation and promise that he would invest the money on behalf of the clients and would provide the interest from the investments to the clients. In fact, defendant SCHWARTZ would not invest the money as promised and, instead, would misappropriate the clients' money and use it to pay defendant SCHWARTZ's own expenses without the clients' knowledge or consent.

4. As a result of the scheme described above, defendant SCHWARTZ fraudulently obtained $1,009,000 from Client Number 1; approximately $4.8 million from Client Number 2; $737,500 from Client

Number 3; $122,500 from Client Number 4; $425,000 from Client Number 5; and $100,000 from Client Number 6.

B THE USE OF THE WIRES

5. On or about December 11, 2013, within the Central District of California, and elsewhere, for the purpose of executing the above-described scheme to defraud, defendant SCHWARTZ transmitted, caused the transmission, and aided and abetted the transmission of an e-mail sent from defendant SCHWARTZ's GSO e-mail account in California to City National Bank, in California, via a Network Solutions, LLC, server located in Jacksonville, Florida. The e-mail approved an attached "Request For Cash/Cashier's Check/Foreign Currency" for $97,500 in cash to be withdrawn from the account of Client Number 2, which request was submitted by defendant SCHWARTZ and stated that defendant SCHWARTZ would pick up the cash at the Beverly Hills Branch of the bank.

COUNT TWO

[26 U.S.C. § 7206(1)]

6. On or about October 13, 2013, in Los Angeles County, within the Central District of California, and elsewhere, defendant JONATHAN TODD SCHWARTZ ("defendant SCHWARTZ"), a resident of Agoura Hills, California, willfully made and subscribed to a materially false United States Individual Income Tax Return, Form 1040, for calendar year 2012, which was verified by a written declaration that it was made under the penalties of perjury, and which was filed with the Internal Revenue Service, which return defendant SCHWARTZ did not believe to be true as to every material matter, in that, on such Form 1040, defendant SCHWARTZ reported, on line 22, that he had total income in the amount of $626,228, when, as defendant SCHWARTZ then well knew and believed, his total income for that year was substantially higher than the amount he reported.

EILEEN M. DECKER
United States Attorney

LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

GEORGE S. CARDONA
Assistant United States Attorney
Chief, Major Frauds Section

RANEE A. KATZENSTEIN
Assistant United States Attorney
Deputy Chief, Major Frauds Section

UNITED STATES DEPARTMENT OF JUSTICE
UNITED STATES ATTORNEY
CENTRAL DISTRICT OF CALIFORNIA

FINANCIAL STATEMENT

NOTE: USE ADDITIONAL SHEETS OR CONTINUE ON REVERSE SIDE OF FORM IF ADDITIONAL SPACE IS NEEDED.

The principle purpose for gathering this information is to evaluate your capacity to pay any Government claim or judgment against you. If the requested information is not furnished, the U.S. Department of Justice has the right to such disclosure of the information by legal methods.

1. NAME: 2. DRIVER LICENSE #:

3. OTHER NAMES USED:

4. BIRTH DATE: 5. SOCIAL SECURITY NUMBER:

6. HOME ADDRESS:

CITY: STATE: ZIP:

7. MAILING ADDRESS IF DIFFERENT FROM HOME ADDRESS:

8. HOW LONG HAVE YOU LIVED IN THE ADDRESS ABOVE?

9. HOME PHONE NUMBER: ( ) WORK PHONE NUMBER: ( )

CELL PHONE NUMBER: ( ) EMAIL ADDRESS:

IF YOU HAVE NO PHONE, GIVE THE NAME OF A PERSON THROUGH WHOM YOU CAN BE CONTACTED

NAME & NUMBER:

10. DO YOU PLAN TO MOVE FROM YOUR CURRENT RESIDENCE? ☐ YES ☐ NO

11. **IF YES**, DATE YOU PLAN TO MOVE AND WHERE:

12. ☐ SINGLE ☐ MARRIED ☐ SEPARATED 13. NAME OF SPOUSE:__________

☐ WIDOWED ☐ DIVORCED:________ 13a. SPOUSE D.O.B.:________ 13b. SPOUSE SSN:________

14. ADDRESS AND PHONE NUMBER OF SPOUSE IF DIFFERENT FROM YOURS:

15. LIST CHILDREN OR OTHER RELATIVES TO WHOM YOU CONTRIBUTE FINANCIAL SUPPORT:

NAME	RELATIONSHIP	AGE	DO THEY LIVE WITH YOU?
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No

EXHIBIT
B

16. FATHER'S NAME:	16a. PHONE NUMBER: ( )
16b. ADDRESS:	
17. MOTHER'S NAME:	17a. PHONE NUMBER: ( )
17b. ADDRESS:	

18. EDUCATION : ◻ LESS THAN 12 YEARS ◻ HIGH SCHOOL DIPLOMA ◻ GED ◻ VOCATIONAL SCHOOL
_________ YEARS OF COLLEGE _________ YEARS OF POST-GRADUATE

19 .DEGREES:

20. ARE YOU CURRENTLY AN ACTIVE MEMBER OF THE ARMED FORCES, INCLUDING NATIONAL GUARD OR RESERVES? ◻ YES ◻ NO
IF YES, GIVE NAME, ADDRESS AND TELEPHONE NUMBER OF YOUR UNIT AND HOW MANY YEARS REMAINING IN YOUR ENLISTMENT.

21. ARE YOU A MEMBER OF A UNION? ◻ YES ◻ NO. **IF YES**, GIVE UNION NAME, ADDRESS AND PHONE NUMBER:

22. OCCUPATION:

23. ARE YOU CURRENTLY WORKING: ◻ YES ◻ NO a. HOW LONG WITH THIS EMPLOYER?_______________.

23b: NAME OF EMPLOYER: ______________________________ c. EMPLOYER ADDRESS: ____________________________

d. TELEPHONE NUMBER: ( ) ____________________________

24. HOW OFTEN ARE YOU PAID? ◻ WEEKLY ◻ BI-WEEKLY ◻ MONTHY ◻ OTHER__________________.

24a. HOW MUCH ARE YOU PAID PER PAY PERIOD? **ATTACH A COPY OF MOST RECENT PAY STUB**

Gross Pay	$
Taxes and Other Deductions	
State	$
Federal	$
Social Security	$
Medicare	$
Life	$
Health	$
401K	$
Bonds, Savings, Union Dues (Specify)	$
Other (Specify)	$
	$
NET TAKE HOME PAY	$

25. ON WHAT DAYS OF THE WEEK ARE YOU PAID?

26. DO YOU RECEIVE UNEMPLOYMENT BENEFITS NOW? ☐ YES ☐ NO
IF **YES**, STATE HOW MANY WEEKS OF ELIGIBILITY DO YOU HAVE LEFT:____________________.
IF **NO**, HAVE YOU APPLIED FOR THEM? ☐ YES ☐ NO

27. DO YOU HAVE A JOB WHICH YOU EXPECT TO TAKE IN THE FUTURE? ☐ YES ☐ NO
IF YES, GIVE THE EMPLOYER'S NAME, ADDRESS AND PHONE NUMBER:

28. **IF YOU ARE UNEMPLOYED**, WHERE DO YOU GET THE MONEY TO SUPPORT YOURSELF AND HOW MUCH DO YOU RECEIVE FROM EACH SOURCE? **Attach copy of Unemployment Benefits Letter**

____________________________________ AMOUNT $__________ ☐ WEEKLY ☐ MONTHLY

____________________________________ AMOUNT $__________ ☐ WEEKLY ☐ MONTHLY

29. LIST ALL EMPLOYMENT WITHIN THE LAST 5 YEARS:

EMPLOYER NAME	ADDRESS	PHONE #	DATES OF EMPLOYMENT

30. DO YOU RECEIVE AT THIS TIME, OR DO YOU EXPECT TO RECEIVE IN THE FUTURE, ANY PENSION, DISABILITY COMPENSATION, RETIREMENT PAY, CIVIL SERVICE RETIREMENT, SOCIAL SECURITY OR OTHER BENEFITS FROM THE UNITED STATES OR ANY OTHER GOVERNMENTAL SOURCE?

☐ YES ☐ NO AMOUNT $ __________ ☐ WEEKLY ☐ MONTHLY **Attach copy of benefits statement**

31. DO YOU OR YOUR SPOUSE RECEIVE CHILD SUPPORT PAYMENTS?
☐ YES ☐ NO AMOUNT $ __________ ☐ WEEKLY ☐ MONTHLY

32. DO YOU RECEIVE AID TO FAMILIES WITH DEPENDENT CHILDREN OR ANY OTHER TYPE OF ASSISTANCE FROM THE UNITED STATES OR ANY OTHER SOURCE? ☐ YES ☐ NO AMOUNT $ __________ ☐ WEEKLY ☐ MONTHLY

33. DOES YOUR SPOUSE WORK? ☐ YES ☐ NO
IF SO, GIVE THE EMPLOYERS NAME, ADDRESS AND TELEPHONE NUMBER:

34. HOW MUCH DOES HE/SHE MAKE? $__________ PER ☐ WEEK ☐ MONTH ☐ YEAR

35. WHAT IS HIS/HER TAKE HOME PER PAY PERIOD? $ __________

36. HAVE YOU, YOUR SPOUSE OR DEPENDENTS HAD A CHECKING ACCOUNT IN THE PAST 5 YEARS? ☐ YES ☐ NO
IF YES, GIVE NAMES AND ADDRESSES OF BANKS OR CREDIT UNIONS AND ACCOUNT NUMBERS:

NAME OF INSTITUTION	ADDRESS	ACCOUNT NUMBER

37. WHAT ARE THE NAME(S) ON THE CHECKING ACCOUNT(S)?

38. IS THE CHECKING ACCOUNT OPEN? □ YES □ NO ACCOUNT BALANCE: $__________ Attach copy of Bank Statement

39. HAVE YOU OR YOUR SPOUSE OR DEPENDENTS HAD A SAVINGS ACCOUNT IN THE PAST TWO YEARS? □ YES □ NO
IF YES, GIVE NAMES AND ADDRESSES OF BANKS OR CREDIT UNIONS AND ACCOUNT NUMBERS:

NAME OF INSTITUTION	ADDRESS	ACCOUNT NUMBER

40. WHAT ARE THE NAMES ON THE SAVINGS ACCOUNT?

41. HOW MUCH MONEY IS IN EACH SAVINGS ACCOUNT? $__________________

42. DO YOU HAVE AN INDIVIDUAL RETIREMENT ACCOUNT (IRA) OR CERTIFICATES OF DEPOSIT? □ YES □ NO
IF YES, GIVE NAME OF FINANCIAL INSTITUTION(S), ADDRESS, ACCOUNT NUMBER(S), AND PRESENT BALANCE(S):

NAME OF INSTITUTION	ADDRESS	ACCOUNT NUMBER	BALANCE

IF INFORMATION DOES NOT FIT, PLEASE USE THE BACK OF THE PAGE.

43. DO YOU HAVE A MOTOR VEHICLE? □ YES □ NO

44. ARE YOU IN POSSESION OF A MOTOR VEHICLE THAT YOU DO NOT OWN? □ YES □ NO

45. IF YOU ANSWERED YES TO EITHER, QUESTION 43 OR 44, STATE THE MAKE, MODEL, VEHICLE IDENTIFICATION NUMBER, LICENSE NUMBER, LOCATION AND VALUE OF EACH VEHICLE, AND NAMES OF THE REGISTERED AND LEGAL OWNERS.

	VEHICLE #1	VEHICLE #2	VEHICLE #3	VEHICLE #4
MAKE:				
MODEL/YEAR:				
VIN #				
LICENSE #				
LOCATION				
VALUE $				
REGISTERED OWNER				
LEGAL OWNER				

46. ARE YOU BUYING A VEHICLE, STATE:
a. HOW MUCH IS OWED ON IT? ____________________
b. WHERE DO YOU GET THE MONEY TO MAKE THE PAYMENT ON THE VEHICLE? ____________________

47. DOES ANYONE OWE YOU MONEY OR IS ANYONE HOLDING MONEY ON YOUR BEHALF? ☐ YES ☐ NO
IF YES, STATE AMOUNT, NAME, ADDRESS AND TELEPHONE NUMBER AND WHETHER A JUDGMENT WAS ENTERED AGAINST THAT PERSON:

48. WHY DOES THIS PERSON OWE YOU MONEY OR HOLD MONEY FOR YOU?

49. DO YOU RENT THE PREMISES WHERE YOU LIVE? ☐ YES ☐ NO
AMOUNT YOU PAY $__________ ☐ MONTHLY ☐ OTHER Attach a copy of receipt

NAME AND ADDRESS OF LANDLORD:

50. IF YOU NEITHER OWN OR RENT AND YOU ARE NOT PURCHASING YOUR PROPERTY, THEN STATE THE NAME OF THE OWNER OF THE PROPERTY IN WHICH YOU LIVE AND THE ARRANGEMENT BY WHICH YOU OCCUPY THE PREMISES WITHOUT PAYMENT.

51. DO YOU OWN OR ARE YOU PURCHASING ANY REAL ESTATE, **INCLUDING YOUR RESIDENCE** AND ANY OIL, GAS AND MINERAL INTEREST? ☐ YES ☐ NO **IF YES,** STATE FOR EACH ITEM OF PROPERTY:

(a) ADDRESS:		
(b) DESCRIPTION OF PROPERTY:		
(c) JOINT OWNER:		
(d) AMOUNT OF INCOME RECEIVED FROM PROPERTY INTEREST(S) $		
(e) NAME OF SELLER:		
(f) VALUE: __________	(g) PRICE: __________	(h) PRINCIPLA STILL OWED: __________

52. IF ANY OF THE REAL ESTATE IS ENCUMBERED BY ANY TYPE OF LIEN OR MORTGAGE, THEN STATE:

	ITEM NUMBER 1	**ITEM NUMBER 2**
Description of each property encumbered (use attachments, if necessary)		
Nature or type of encumbrance		
Date of encumbrance		
Amount of encumbrance		
Name and Address of holder of encumbrance		

53. ARE YOU SELLING ANY REAL ESTATE UNDER CONTRACT? ☐ YES ☐ NO

(a) ADDRESS:	
(b) NAME OF BUYER:	(c) VALUE:$
(d) CONTRACT PRICE: $	(e) PRINCIPLE STILL OWED: $
(f) NEXT PAYMENT DATE:	(g) AMOUNT OF NEXT PAYMENT: $

54. DO YOU RENT ANY PROPERTY TO OTHERS? ☐ YES ☐ NO **IF YES,** STATE FOR EACH UNIT RENTED:

NAME OF RENTER:	RENT PAID: $
ADDRESS OF RENTED PROPERTY:	
WHEN IS RENT PAYABLE?	

55. DO YOU, YOUR SPOUSE OR DEPENDENTS OWN ANY STOCKS, BONDS OR OTHER SECURITIES? ☐ YES ☐ NO
IF YES, STATE:

Stocks/Bonds Securities	Name/Address	Present Location	Number of Shares	Value

United States Savings Bonds	Market Value

56. DO YOU, YOUR SPOUSE OR YOUR DEPENDENTS RENT OR USE A SAFE DEPOSIT BOX, EITHER ALONE OR WITH ONE OR MORE PERSONS? ☐ YES ☐ NO
IF YES, STATE WHERE THE SAFE DEPOSIT BOX IS LOCATED, IN WHOSE NAME(S) IT IS LISTED, HOW IT IS NUMBERED OR OTHERWISE IDENTIFIED AND GIVE ITS CONTENTS, THE OWNERSHIP AND VALUE:

57. IF YOU HAVE INTEREST IN ANY PENSION PLAN, RETIREMENT FUND, OR PROFIT SHARING PLAN, STATE:

(a) NAME AND ADDRESS OF ADMINISTRATOR OF PLAN:
(b) PRESENT VALUE OF YOUR INTEREST IN THE PLAN: $ ___________ As of: ______________________
(c) NATURE OF PLAN:
(d) DESCRIPTION OF TERMS UNDER WHICH YOU MAY RECEIVE MONEY OR PROPERTY PURSUANT TO THE PLAN:

58. WILL YOU RECEIVE, OR DO YOU ANTICIPATE THAT YOU MIGHT RECEIVE, ANY TYPE OF BONUS AT THE END OF A FISCAL QUARTER OR THE YEAR, ON A DEFERRED COMMISSION, OR BOTH?

59. DO YOU HAVE ANY INCOME PROTECTION INSURANCE, OR ACCIDENT INSURANCE? ☐ YES ☐ NO
IF YES, STATE COMPANY NAME, ADDRESS, AND PHONE NUMBER:

60. DO YOU HAVE ANY LIFE INSURANCE POLICIES? □ YES □ NO **IF YES**, STATE AND **ATTACH COPY OF POLICIES**:

(a) COMPANY NAME, ADDRESS, PHONE NUMBER:
(b) TYPE OF INSURANCE (TERM, WHOLE, LIFE, ETC.)
(c) POLICY NUMBER(S):
(d) FACE VALUE AMOUNT(S):
(e) CASH SURRENDER VALUE:
(f) OUTSANDING LOANS ON POLICY(S):

61. LIST ALL PERSONAL PROPERTY OWNED BY YOU OR YOUR SPOUSE:

PROPERTY ITEM	**DESCRIPTION**	**LOCATION**	**OWNED BY:**	**FAIR MARKERT VALUE**
TV (state how many)				
Computer Equipment				
Recording Camera				
Furniture				
Jewelry				
Antiques				
Collectables: Stamps, art-work, etc				
Tools, Equipment				
Boats				
Aircrafts				
Trailers/Campers				
Motorcycles				
ATVs				
Sporting Goods				
Lawn Mower/ Tractor				
Farm Equipment				
Other				

62. DATE LAST FEDERAL INCOME TAX RETURN WAS FILED (APPROXIMATELY): ____________________
AMOUNT OF GROSS INCOME REPORTED: $ ____________________

63. DO YOU EXPECT TO GET AN INCOME TAX REFUND THIS YEAR? ☐ YES ☐ NO
IF YES, GIVE APPROXIMATE AMOUNT YOU EXPECT TO RECEIVE: $ ____________________

64. LIST ALL TRANSFERS OF PROPERTY INCLUDING CASH (BY LOANS, GIFTS, SALE, ETC.) THAT YOU HAVE MADE WITHIN THE LAST FIVE (5) YEARS (ITEMS OF $1,000.00 OR MORE):

DATE	AMOUNT	PROPERTY TRANSFERRED	TO WHOM

65. ARE YOU A TRUSTEE, EXECUTOR, BENEFICIARY OR ADMINISTRATOR UNDER ANY WILL OR TESTAMENT, INSURANCE POLICY OR TRUST AGREEMENT? ☐ YES ☐ NO
IF YES, GIVE DETAILS:

66. IS THERE ANY LIKELIHOOD YOU WILL RECEIVE ANY INHERITANCE? ☐ YES ☐ NO
IF YES, FROM WHOM? (Name, address, and phone number)

67. ARE YOU INVOLVED IN A LAWSUIT IN WHICH YOU MIGHT RECEIVE MONEY OR SOMETHING OF VALUE? ☐ YES ☐ NO
IF YES, STATE WHERE THE SUIT IS FILED AND WHAT IT INVOLVES: (include Court Number and Caption)

68. IF YOU NOW HAVE ANY CLAIMS FOR MONEY AGAINST OTHERS BY REASON OF NOTES, CLAIMS FOR DAMAGES, OR THE LIKE, THEN STATE:

COMPLETE DESCRIPTION OF CLAIM	NAME AND ADDRESS OF PERSON INDEBTED TO YOU	AMOUNT DUE ON CLAIM

69. DO YOU RECEIVE OR, UNDER ANY CIRCUMSTANCES, EXPECT TO RECEIVE BENEFITS FROM ANY ESTABLISHED TRUST, FROM A CLAIM FOR COMPENSATION OR DAMAGES, OR FROM A CONTINGENT OR FUTURE INTEREST IN PROPERTY OF ANY KIND? ☐ YES ☐ NO
IF YES, GIVE DETAILS:

70. DO YOU HAVE ANY OUTSTANDING LOANS PAYABLE TO BANKS, FINANCE COMPANIES, CREDIT UNIONS, ETC?
☐ YES ☐ NO **IF YES**, GIVE DETAILS:

OWED TO:	PURPOSE	AMOUNT	PAYMENT	BALANCE

71. ARE YOU SELF-EMPLOYED OR DO YOU OWN ALL OR PART OF A BUSINESS AS SOLE OWNER, PARTNER, STOCKHOLDER, OR OTHERWISE? ☐ YES ☐ NO **IF YES**, STATE THE:

NAME AND ADDRESS OF THE BUSINESS:
STATE THE NATURE AND VALUE OF YOUR INTEREST:
HOW AND WHEN DO YOU DRAW MONEY FROM IT?
INCOME RECEIVED FROM THAT BUSINESS LAST YEAR: $
INCOME RECEIVED FROM THAT BUSINESS DURING THE LAST 3 MONTHS: $
YOUR ESTIMATE OF THE VALUE OF THE BUSINESS: $
EACH POSITION THAT YOU OR YOUR SPOUSE HOLD IN CONNECTION WITH THAT BUSINESS:

72. FOR ANY BANK OR OTHER INSTITUTION AT WHICH THE BUSINESS MAINTAINS ANY TYPE OF ACCOUNT, STATE:

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT	ACCOUNT BALANCE	AVERAGE BALANCE

73. IF ANY ARTICLES OF INCORPORATION OR PARTNERSHIP, OR CERTIFICATES OF DOING BUSINESS UNDER ANY NAME WERE FILED WITH ANY GOVERNMENTAL AGENCY BY ANY BUSINESS NAMED ABOVE STATE:

(a) NATURE OF DOCUMENT FILED:
(b) LOCATION OF OFFICE WHERE FILED:
(c) DATE OF FILING:

74. GIVE AN ACCURATE ACCOUNT OF THE FINANCIAL CONDITION OF THIS BUSINESS FOR THE LAST THREE (3) YEARS. **ATTACH A STATEMENT** OF ASSETS, INVENTORIES, LIABILITIES, GROSS AND NET INCOME, THE AMOUNT OF ANY UNDISTRIBUTED PROFITS IN THE BUSINESS, AND A **COPY OF THE TAX RETURN** FOR THE PREVIOUS YEAR:

75. LIST CREDITORS TO WHOM YOU OWE MONEY (INCLUDING JUDGMENTS, CREDIT CARD DEBTS, LOANS, DOCTOR BILLS, ETC.: (Even if disclosed above).

CREDITOR	MONTHLY PAYMENT	BALANCE OWING

TOTALS	**$**	**$**

76. MONTHLY INCOME AND EXPENSES OF SELF, SPOUSE AND DEPENDENTS, OR ANY INDIVIDUAL SHARING YOUR HOME:

LIST ALL MONTHLY INCOME RECEIVED (Even if disclosed previously)		**LIST ALL MONTHLY EXPENSES** (Even if disclosed previously)	
Take Home Pay		Rent/Mortgage Payments	$
Self:	$		
Spouse:	$	Real Estate Taxes	$
Dependents	$	Vehicle Payment	$
Other	$	Gasoline	$
Part-Time Job	$		
Overtime (Est. if necessary)	$	Food (Home, work, school)	$
Interest/Dividends	$	Water	$
Support Alimony	$	Natural Gas	$
Pension/Social Security	$	Electric	$
Social Services	$	Telephone	$
Food Stamps	$	Cable TV/Satellite TV	$
Rent Income	$	Other Utilities - ________	$
Benefits from U.S.	$	Insurance	$
Disability Compensation	$	Medical	$
Retirement Pay	$	Transportation	$
Military Pay	$	Clothing	$
Commissions	$	Daycare/Babysitter	$
Other (List)	$	Tuition	$
	$	Child Support/Alimony	$
	$	Entertainment	$
	$	Personal Care	$
	$	Dry Cleaning/Laundromat	$
	$	Gifts	$
	$	Newspaper/Magazine	$
	$	Church/Charities	$
	$	OTHER	$
	$		$
TOTAL MONTHLY INCOME	**$**	**TOTAL MONTHLY EXPENSES**	**$**

PLEASE READ CARFULLY BEFORE SIGNING:

WITH KNOWLEDGE OF THE PENALTIES FOR FALSE STATEMENTS PROVIDED BY TITLE 18, UNITED STATES CODE SECTION 101 (FINE AND/OR UP TO FIVE YEARS IMPRISONMENT) AND WITH KNOWLEDGE THAT THIS FINANCIAL STATEMENT IS SUBMITTED BY ME TO AFFECT ACTION BY THE UNITED STATES DEPARTMENT OF JUSTICE, I HERBY CERTIFY THAT THE ABOVE STATEMENT IS TRUE AND THAT IT IS A COMPLETE STATEMENT OF ALL MY INCOME AND ASSETS, REAL AND PERSONAL, WHETHER HELD IN MY NAME OR BY ANY OTHER.

______________________ DATE

______________________________________ SIGNATURE

IF YOU WERE ASSISTED BY SOMEONE IN FILLING OUT THIS FINANCIAL STATEMENT, PLEASE STATE NAME AND RELATIONSHIP, AND HAVE THE PERSON SIGN BELOW.

Name: ____

Relationship: ____

Signature: ____

PROPOSAL OF PAYMENT

I PROPOSE TO PAY MY DEBT IN MONTHLY INSTALLMENTS OF $____________ BEGINNING ________________ ,

WITH AN IMMEDIATE PAYMENT OF $ ____________ .

ATTACHMENTS REQUIRED:

☐ COPY OF TAX RETURNS FOR LAST 2 YEARS.

☐ PROOF OF ALL CURRENT EXPENSES THAT YOU PAID FOR THE LAST 3 MONTHS, INCLUDING UTILITIES, RENT, INSURANCE, PROPERTY TAXES, ETC.

☐ PROOF OF ALL NON-BUSINESS TRANSPORTATION EXPENSES (E.G CAR PAYMENT, LEASE PAYMENTS, FUEL, OIL, INSURANCE, PARKING, REGISTRATION)

☐ PROOF OF ALL PAYMENTS FOR HEALTH CARE, INCLUDING HEALTH INSURANCE PREMIUMS, CO-PAYMENTS AND OTHER OUT-OF-POCKET EXPENSES.

☐ COPY OF ANY COURT ORDER REQUIRING PAYMENT AND PROOF OF SUCH PAYMENTS FOR THE PAST 3 MONTHS.

EXHIBIT C

STATEMENT OF FACTS

IN SUPPORT OF PLEA AGREEMENT

Defendant JONATHAN TODD SCHWARTZ ("defendant") represents and admits that the following facts are true:

Background

At all times relevant to the Information:

Defendant was a resident of Agoura Hills, within the Central District of California. Defendant was a member of GSO Business Management, LLC ("GSO"), a business management firm based in Sherman Oaks, California. GSO provided financial guidance, including managing bank accounts, providing accounts payable services on clients' behalf, and preparing short term and long term budgets.

The Scheme to Defraud

Beginning by at least March 2009 and continuing until at least May 2016, defendant executed a scheme to defraud clients of GSO by taking for his own use monies belonging to the clients without the knowledge or authorization of the clients; falsifying records of the clients' accounts to conceal the unauthorized takings; forging the signature of one client on GSO receipts, thereby creating the false appearance that cash withdrawn from the client's account had been delivered to the client; and, when confronted, lying about what he had done with the missing cash.

EXHIBIT C

Read and Agreed to

Specifically, between March 2009 and April 2010, defendant withdrew cash belonging to Client No. 1 without the knowledge, consent, or authorization of Client No. 1. Defendant withdrew the cash, totaling $1,009,000, in 28 unauthorized transactions at City National Bank. Client No. 1 was rebuilding his home during this period and defendant falsely coded a number of the unauthorized cash withdrawals as home renovations on the accounting records GSO maintained for Client No. 1.

Between at least May 2010 and January 2014, defendant withdrew cash belonging to Client No. 2 without the knowledge, consent, or authorization of Client No. 2. Defendant withdrew the cash, totaling approximately $4.8 million, in 114 unauthorized transactions. Defendant falsely coded the unauthorized cash withdrawals as "sundry/personal expenses" on the accounting records GSO maintained for Client No. 2. When confronted about the missing funds, defendant falsely stated that the money was an "investment" in illegal marijuana "grow" businesses and that he and other GSO employees, none of whom defendant could identify, had delivered the cash to people, also unidentified, associated with the marijuana businesses. Although defendant claimed that Client No. 2 had signed "meeting packets" acknowledging the cash transactions, no such signed meeting packets in fact exist.

Between September and December 2014, and again in February 2016, defendant withdrew cash belonging to Client No. 3 without the knowledge, consent, or authorization of Client No. 3. Defendant withdrew the cash, totaling $737,500, in 10

Read and Agreed to ____________

unauthorized transactions. Defendant forged Client No. 3's signature on at least two cash receipts pertaining to transactions on November 25, 2014 (for $150,000) and December 16, 2014 (for $100,000).

Between October and November 2014, defendant withdrew cash belonging to Client No. 4 without the knowledge, consent, or authorization of Client No. 4. Defendant withdrew the cash, totaling $122,500, in 4 unauthorized transactions.

In 2015, defendant obtained $500,000 from Client No. 5, based on defendant's representation and promise that he would invest Client No. 5's money on Client No. 5's behalf and would provide the interest from the investment to Client No. 5. Defendant did not invest Client No. 5's money as promised. In 2016, defendant returned $75,000 to Client No. 5 as "interest"; misappropriated the remaining $425,000 of Client No. 5's money; and, without Client No. 5's knowledge or consent, used it to pay defendant's own expenses.

In March 2016, defendant obtained $100,000 belonging to Client No. 6 in an unauthorized transaction. When confronted, defendant promised to "take care of" the claim, but did not.

Use of the Wires

In furtherance of the fraudulent scheme, on or about December 11, 2013, defendant caused a communication to be sent via interstate wires, namely an e-mail from defendant's GSO e-mail account in California sent to City National Bank, in California, via a Network Solutions, LLC, server located in Jacksonville, Florida, approving an attached "Request For

Read and Agreed to ____

Cash/Cashier's Check/Foreign Currency" for $97,500 in cash to be withdrawn from the account of Client No. 2, which was submitted by defendant and stated that defendant would pick up the cash at the Beverly Hills Branch of the bank.

Subscription to a False Tax Return

On or about October 15, 2013, defendant signed and submitted to the Internal Revenue Service a United States Individual Income Tax Return, Form 1040, for tax year 2012 on which he reported, on line 22, that he had total income of $626,228. At the time that defendant signed the return and submitted it to the IRS he knew that he had additional income for tax year 2012 of approximately $1,621,500 and knew that he had a legal duty to disclose this additional income to the IRS.

***

I have read this STATEMENT OF FACTS IN SUPPORT OF PLEA AGREEMENT in its entirety. I have had enough time to review and consider this Statement of Facts, and I have carefully and thoroughly discussed every part of it with my attorney. I agree that this statement of facts is sufficient to support pleas of guilty to the charges described in the plea agreement and to establish the Sentencing Guidelines factors set forth in paragraph 18 of the plea agreement.

JONATHAN TODD SCHWARTZ
Defendant

Date 11.7.16

Read and Agreed to